



Financial Crime and the US Presidential Election

As the U.S. presidential election campaign draws to a close, here are tips for navigating 10 key financial crime issues that may require different approaches depending upon the election's results.

Note: Feedzai does not endorse any candidate or political party. We share our neutral opinion regarding the U.S. election results' impact on financial crime.



Dems

GOP



Post-Election Stimulus

Wants to increase Social Security payments by \$200/month for seniors, persons with disabilities.

Wants Dept. of Labor to apply \$600/week unemployment insurance boost to work-sharing programs.

Wants new stimulus to include \$1,200 for adults and \$1,000 for children.

Wants \$400/week in additional unemployment benefits.

Tip: Invest in safeguards to detect unemployment fraud and synthetic ID scams.



Post-Election PPP

Urged the current administration to reserve half of any new PPP funds for small businesses with 50 employees or less.

Called for small banks & community lenders to oversee \$60B in small business loans.

Negotiations currently underway on a new round of PPP funding.

Called for \$330B for PPP loans in current talks.

Tip: Adopt machine learning scoring engines to ensure that PPP funds reach intended borrowers, not fraudsters.



Post-Election COVID-19 & Human Trafficking

Pledged to use technology to stop online trafficking and boost awareness.

As VP, worked on stopping human trafficking.

Approved DOJ grant to reduce human trafficking activities.

Authorized the Center for Countering Human Trafficking within Homeland Security to establish a centralized hub for trafficking and forced labor and train agencies, law enforcement, and civil servants to detect human trafficking activities.

Tip: Build a culture of compliance focused on stopping money laundering activities that fund human trafficking operations.



Sanctions

Accused China of "abusive" trade practices and intellectual property theft.

Threatened China with sanctions over human rights abuses and called the Hong Kong national security law a "death blow."

Will possibly use sanctions to urge Iran to return to the 2015 nuclear accord.

Accused China of unfair trade practices, currency manipulation, human rights abuses, and more.

Issued tariffs on Chinese imports.

Blamed China for failing to contain the COVID-19 outbreak.

Expected to maintain a "maximum pressure" sanctions campaign against Iran.

Tip: Invest in sanctions compliance safeguards to remain compliant, avoid fines and reputational damage.



AI Policy

Called for \$300B investment in R&D of new technologies including AI and 5G.

Launched the American AI Initiative to develop a national strategy around AI.

Tip: Develop your own AI strategy as the federal government pursues its own research.



Responsible AI Initiatives

Running mate has sought research from federal agencies outlining how facial recognition can promote racial and gender bias and the potential impact of AI bias.

The American AI Initiative promotes "a responsible approach to AI" by working to improve AI-based outcomes for workers and users.

Tip: Understand how AI bias arises, how it impacts people, and the right and wrong ways to address it.



Data Privacy

Previously voiced support for a U.S. data privacy law based on the EU's GDPR, which requires companies to acquire a data owner's consent before collecting or processing it and alert authorities within 72 hours of a data breach.

Administration has criticized GDPR as being "overly restrictive" and hindering law enforcement and public health efforts.

Repealed some internet privacy laws in 2017, making it easier for internet service providers to harvest consumers' data without consent.

Tip: Make sure your organization's privacy policy remains up to date as laws change.



Fraud Education/Training

Expected to replace current CFPB director and restore some agency enforcement capabilities.

Formed a task force with the mission of investigating and prosecuting fraudulent schemes against consumers.

Tip: Work with law enforcement and financial agencies to educate your customers and employees about emerging fraud risks.



Information-Sharing

FinCEN issued an advisory to financial institutions warning them to stay vigilant against different types of fraud during COVID-19.

Several trade groups, including the American Banker Association (ABA), urged Congress to enact provisions in the Intelligence Authorization Act to improve intelligence sharing between government agencies and critical infrastructure.

Tip: Work with experienced partners and industry experts to stay current on the latest information-sharing initiatives.



Financial Transparency Legislation

Three pieces of legislation have been debated in Congress that could have significant impact on financial disclosures and regulatory compliance. All three remain stalled, however. They are:

- The Corporate Transparency Act (CTA)
- The Improving Laundering Laws and Increasing Comprehensive Information Tracking of Criminal Activity in Shell Holdings Act (ILLICIT CASH Act)
- The True Incorporation Transparency for Law Enforcement (TITLE) Act

Tip: Stay current on financial disclosure law changes to make sure your FI remains transparent and accountable to regulators.